

1                                **UNEMPLOYMENT COMPENSATION - SOCIAL**

2                                **SECURITY OFFSET**

3                                2007 GENERAL SESSION

4                                STATE OF UTAH

5                                **Chief Sponsor: John W. Hickman**

6                                House Sponsor: Steven R. Mascaro

7    Cosponsors:                                Dan R. Eastman                                Peter C. Knudson

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9    **LONG TITLE**

10   **General Description:**

11                This bill modifies employment security provisions of the Utah Workforce Services Code  
12   related to unemployment benefits and eligibility.

13   **Highlighted Provisions:**

14                This bill:

15                ► removes the provision that provides for the 50% Social Security benefits offset to an  
16   individual's weekly unemployment benefit amount to be funded from federal Reed  
17   Act moneys; and

18                ► makes certain technical changes.

19   **Monies Appropriated in this Bill:**

20                None

21   **Other Special Clauses:**

22                None

23   **Utah Code Sections Affected:**

24   AMENDS:

25                **35A-4-401**, as last amended by Chapter 74, Laws of Utah 2006

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27   *Be it enacted by the Legislature of the state of Utah:*

28                Section 1. Section **35A-4-401** is amended to read:

29                **35A-4-401. Benefits -- Weekly benefit amount -- Computation of benefits --**

**Department to prescribe rules -- Notification of benefits -- Bonuses.**

(1) (a) Benefits are payable from the fund to ~~[any]~~ an individual who is or becomes unemployed and eligible for benefits.

(b) All benefits shall be paid through the employment offices or other agencies designated by the division in accordance with ~~[the]~~ rules the department may prescribe in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

(2) (a) An individual's "weekly benefit amount" is an amount equal to 1/26th, disregarding any fraction of \$1, of the individual's total wages for insured work paid during that quarter of the base period in which the total wages were highest.

(b) The weekly benefit amount may not exceed the amount determined as follows:

(i) With respect to an individual whose benefit year commences on or after January 1, 2001, 65% of the "insured average fiscal year weekly wage" during the preceding fiscal year, e.g., fiscal year 2000 for individuals establishing benefit years in 2001, disregarding any fraction of \$1, constitutes the maximum "weekly benefit amount" payable.

(ii) With respect to an individual who files a claim for benefits on or after July 4, 2004, 62.5% of the insured average fiscal year weekly wage during the preceding fiscal year, disregarding any fraction of \$1, constitutes the maximum weekly benefit amount payable.

(c) (i) Except as otherwise provided in Subsection (2)(c)(ii), the "weekly benefit amount" of an individual who is receiving, or who is eligible to receive, based upon the individual's previous employment, a pension, which includes a governmental, social security, or other pension, retirement or disability retirement pay, under a plan maintained or contributed to by a base-period employer is the "weekly benefit amount" which is computed under this section less 100% of the retirement benefits, that are attributable to a week, disregarding any fraction of \$1.

(ii) ~~[(A)]~~ With respect to an individual whose benefit year begins after July 1, 2004, and ends on or before July 1, 2011, the "weekly benefit amount" of that individual, who is receiving or who is eligible to receive Social Security benefits based upon the individual's previous employment, is the "weekly benefit amount" which is computed under this section less 50% of

the individual's Social Security benefits that are attributable to the week, but not below zero.

~~[(B) An employer is not liable for additional benefits paid as a result of this Subsection (2)(c)(ii).]~~

~~[(C) The department shall fund those costs from Reed Act moneys.]~~

(d) (i) (A) The weekly benefit amount and the potential benefits payable to an individual who, subsequent to the commencement of ~~[his]~~ the individual's benefit year, becomes or is determined to be eligible to receive retirement benefits or increased retirement benefits, shall be recomputed effective with the first calendar week during ~~[his]~~ the individual's benefit year with respect to which the individual is eligible to receive retirement benefits or increased retirement benefits.

(B) The new weekly benefit amount shall be determined under this Subsection (2).

(ii) As recomputed the total benefits potentially payable, commencing with the effective date of the recomputation, shall be equal to the recomputed weekly benefit amount times the quotient obtained by dividing the potential benefits unpaid prior to the recomputation by the initial weekly benefit amount, disregarding fractions.

(3) (a) ~~[Each]~~ An eligible individual who is unemployed in any week shall be paid with respect to that week a benefit in an amount equal to the ~~[claimant's]~~ individual's weekly benefit amount less that part of the ~~[claimant's]~~ individual's wage payable to the ~~[claimant]~~ individual with respect to that week that is in excess of 30% of the ~~[claimant's]~~ individual's weekly benefit amount.

(b) The resulting benefit payable shall disregard any fraction of \$1.

(c) For the purpose of this Subsection (3) "wages" does not include a grant paid to the ~~[claimant]~~ individual as public assistance.

(4) (a) ~~[Any]~~ An otherwise eligible individual is entitled during a benefit year to a total amount of benefits determined by multiplying the individual's weekly benefit amount times the individual's potential duration.

(b) To determine an individual's potential duration, the individual's total wages for insured work paid during the base period is multiplied by 27%, disregarding any fraction of \$1,

and divided by the individual's weekly benefit amount, disregarding any fraction, but not less than ten nor more than 26.

(5) (a) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the department may by rule prescribe:

(i) that the existence of unemployment, eligibility for benefits, and the amount of benefits payable shall be determined in the case of ~~[any]~~ an otherwise eligible ~~[claimant]~~ individual who, within a week or other period of unemployment, is separated from or secures work on a regular attachment basis for that portion of the week or other period of unemployment occurring before or after separation from or securing of work; and

(ii) in the case of ~~[individuals]~~ an individual working on a regular attachment basis, eligibility for benefits and the amount of benefits payable for periods of unemployment longer than a week.

(b) The rules made shall be reasonably calculated to secure general results substantially similar to those provided by this chapter with respect to weeks of unemployment.

(6) The division shall, in all cases involving actual or potential disqualifying issues and prior to the payment of benefits to an eligible individual, notify the individual's most recent employer of the eligibility determination.

(7) Upon written request of an ~~[employee]~~ individual made under rules of the department in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, all remuneration for insured work paid to ~~[an employee]~~ the individual during the ~~[employee's]~~ individual's period in the form of a bonus or lump-sum payment shall, for benefit purposes, be apportioned to the calendar quarters in which the remuneration was earned.